



Department of Commerce

Innovation is in our nature.

2011-2013 Building for the Arts (BFA) Grant Guidelines

COMPETITIVE GRANT PROGRAMS:

- Building for the Arts ■
- Building Communities Fund ■
- Youth Recreational Facilities ■

Up to \$2 million for arts and cultural facilities
As much as 20 percent state match of eligible project costs

Application Deadline: Thursday, May 27, 2010 at 5 p.m.

Grant application workshops:

May 11th in Spokane, and
May 12th in Seattle (see back page for details)

Join our listserv:

<http://listserv.wa.gov/archives/capital-programs.html>

Commerce Capital Programs

P.O. Box 42525

Olympia, WA 98504-2525

360-725-3075

capprograms@commerce.wa.gov

www.commerce.wa.gov/CapitalPrograms



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE
906 Columbia St. SW • PO Box 42525 • Olympia, Washington 98504-2525 • 360/725-3075

Dear Reader:

We're excited about beginning the 12th grant cycle of Building for the Arts (BFA). This program has helped to make arts and cultural facilities more accessible and enjoyable throughout the state. Since its inception in 1991, we have awarded more than \$69 million in construction grants to nonprofit organizations. In addition, BFA has served as a model for several other state grant programs.

The citizen advisory committee that ranks BFA grant applications is familiar with the budgetary and management pressures faced by today's nonprofits. That's why we have strived to keep the application process as streamlined and user-friendly as possible. Although the new application form (posted on our website) is similar to the one used in the last grant cycle, it has been updated to address some significant changes in state law and administrative procedures (these are summarized on the following page).

Before you submit an application I'd strongly encourage you to join our listserv, attend a grant application workshop, and discuss your project with our staff. We look forward to helping you achieve your facility-development goals.

With Best Regards,

Daniel Aarthun, Manager
Commerce Capital Programs

PS: If you are unsure about whether to apply for a BFA grant, be sure to contact us. We may be able to suggest creative ways to align your goals with our rules and procedures.

2011-2013 New Policy Highlights

Acquisition Projects

All acquisition projects must provide a current (six-nine month) appraisal or County Assessment of the site to be purchased.

Property Liens

All capital projects that involve the expenditure of \$250,000 or more in state funds must list Department of Commerce on the deed of trust and provide title insurance. Projects that consist of renovations to facilities that are leased or design-only projects are exempt.

Audit

All capital projects that involve the expenditure of \$100,000 per fiscal year are required to have a financial audit (Yellow Book Audit). This audit must be performed every year in which \$100,000 or more in state funds is spent.

Reimbursement/Billing Procedures

All capital project reimbursements shall be evidenced by documentation showing the cost has already been paid. The Grantee shall provide copies of the cancelled check or electronic funds transfer (as applicable) confirming payment of each expenditure for the amount of each invoice claimed.

New LEED Requirements

Most projects are required to apply for LEED silver certification. However, renovation projects that involve a new addition to an existing building may require LEED certification. Also, new construction projects under 5,000 square feet are exempted from this requirement.

WHERE TO FIND IT

Applications

BFA 2011-2013 application form **see website**
Application deadline 2.2 / **Page 10**

Archeological review

..... 3.7 / **Page 14**

Building for the Arts (BFA)

History of program 1.5 / **Page 7**
Purpose of program 1.1 / **Page 5**

Change of facility ownership

..... 3.11 / **Page 15**

Contracting conditions

..... 3.5 / **Page 13**

Eligibility standards

..... 1.2 / **Page 5**

Funds

Administrative fee box / **Page 14**
Advancing funds 3.2 / **Page 13**
Availability of funds 3.4 / **Page 13**
Documenting costs 3.6 / **Page 14**
Eligible costs 3.12 / **Page 15**

Ineligible costs 3.13 / **Page 15**

Matching requirements 3.3 / **Page 13**

Reappropriations 3.9 / **Page 14**

Rescinding funds 3.10 / **Page 14**

Historical Society grants box / **Page 5**

LEED certification 1.6 / **Page 8**

Prevailing wages 3.8 / **Page 14**

Review of applications

Appeals 2.10 / **Page 12**

BFA Advisory Committee role 2.5 / **Page 10**

Notification of applicants 2.4 / **Page 10**

Scoring criteria box / **Page 11**

Testimony before committee 2.7 / **Page 11**

Timeline box / **Page 7**

Staff contacts right column / **Page 3**

Readiness self-assessment pages 16-17

Capital Programs

Department of Commerce

Mailing / street address:

P.O. Box 42525
906 Columbia Street SW
Olympia, WA 98504-2525
Phone: 360-725-3075
Fax: 360-664-3123

E-mail:

capprograms@commerce.wa.gov

Web:

[www.commerce.wa.gov/
CapitalPrograms](http://www.commerce.wa.gov/CapitalPrograms)

Listserv:

<http://listserv.wa.gov/archives/capital-programs.html>

STAFF:

Daniel Aarthur

Manager, Capital Programs
360-725-3007
Dan.Aarthur@commerce.wa.gov

Michael Kendall

Project Manager
360-725-3073
Mike.Kendall@commerce.wa.gov

Sheryl Reed

Project Manager
360-725-3074
Sheryl.Reed@commerce.wa.gov

Kathy Chance

Project Manager
360-725-3076
Kathy.Chance@commerce.wa.gov

Beth Prihoda

Grant Specialist
360-725-5001
Beth.Prihoda@commerce.wa.gov

Emily Hafford

Grant Specialist
360-725-3021
Emily.Hafford@commerce.wa.gov

COMMERCE LEADERSHIP:

Rogers Weed

Director

Dan McConnon

Community Services & Housing
Assistant Director

SIX STEPS TO GETTING A GRANT

STEP 1: *Decide whether you are eligible — and ready to apply*

This is a highly competitive grant program. So before starting to write your grant application we strongly encourage you do your homework (see boxes on pages 6 and 12). Also take a look at our timeline for awarding funds to make sure that it fits with your cash-flow needs (see Page 7).

STEP 2: *Decide whether to seek LEED certification or an exemption*

If you wish to apply for an exemption you can do so at any point between now and when grant applications are due. If you apply for an exemption soon, you can find out whether your request is accepted before deciding whether to prepare a grant application (see 1.6 on Page 8).

STEP 3: *Complete your application packet*

Your chances of success in obtaining a grant are heightened by following all instructions for putting your application packet together. You can download an application template from our website (www.commerce.wa.gov/CapitalPrograms).

STEP 4: *Discuss your project with our advisory committee*

Applicants whose projects make it past a preliminary staff review will be invited to testify before the BFA Advisory Committee (see 2.7 on Page 11).

STEP 5: *Negotiate a contract*

If the committee recommends your project for funding and it is included in the 2011-2013 Capital Budget signed into law, Commerce Capital Programs will draft a contract with your organization before disbursing the funds. See pages 13-15 for contracting requirements . . . some of which you should start thinking about now.

STEP 6: *Submit reimbursement materials*

This is a reimbursement-style grant. That means no advance payments (see 3.2 on Page 13), but we've worked hard to make the paperwork straightforward. Funds will likely become available by Fall of 2011 (see 3.4 on Page 13).

We have a strong commitment to supporting smaller facilities and those serving rural parts of the state. If you aren't sure about whether to apply for a BFA grant, don't feel shy about talking to us. We're here to help you succeed!

This publication is available in an alternative format upon request. Events sponsored by Commerce are accessible to persons with disabilities. Accommodations may be arranged with a minimum of 10 working days notice by calling 360-725-3075.

PART 1: PROGRAM BACKGROUND

1.1 Program purpose

Building for the Arts (BFA) awards state grants to nonprofit organizations to defray up to 20 percent of eligible capital costs for the acquisition and *major* new construction or renovation of performing arts, art museums, and cultural facilities. Historical museums are ineligible.

The maximum grant award for the 2011-2013 Biennium is \$2 million. *There is no minimum grant award amount.* The BFA Advisory Committee, which ranks grant applications, reserves the right to modify the amount of any request for funding.

Minor works such as general maintenance and repairs*, American with Disabilities Act (ADA) upgrades, theater sound and lighting equipment, or public art displays or works of art will not be funded as stand-alone projects. These improvements will be considered as part of a major facility development or renovation project.

Acquisition of bare land must be accompanied by the construction of a usable facility to be an eligible project.

BFA is a state program funded entirely through the sale of state bonds. No federal dollars are involved.

1.2 Who may apply

All facilities funded by BFA must be dedicated primarily to arts-related purposes (see right sidebar for definition). In addition, applicants must meet the following eligibility standards *at the time the application is submitted*:

- be registered in the state of Washington as a nonprofit organization;
- possess a current or advance ruling 501(c)3 Internal Revenue Service registration;
- have a legally constituted board of directors;
- have control of the project site via ownership or executed long-term lease (15 years);
- demonstrate significant public access to the facility;
- agree to enter the LEED certification process or receive an exemption from us (see 1.6 on Page 8);
- agree to pay prevailing wages as of the date the capital budget becomes effective; and
- have made substantial progress in an active capital fundraising campaign dedicated to the project, or have secured all non-state funding needed to complete the project.

WHAT'S AN ARTS-RELATED PROJECT?

It must involve the construction, renovation or acquisition of facilities that focus on the active interpretation, performance, or exhibition of aesthetic traditions, practices, or works of art that characterize cultural values.

** An aggregation of ordinary maintenance items does **not** constitute a bondable project regardless of cost, and is therefore not considered a major capital project eligible for BFA funds.*

BFA and state Historical Society grants

The state Historical Society awards construction grants to some organizations that may also be eligible for BFA funding. You may submit an application to each program, but cannot receive grants from both during the same biennium. If you accept a Historical Society grant over a BFA grant for the 2011-2013 Biennium, you may reapply to us two years from now for eligible costs incurred after June 30, 2010. However, you cannot use other state funding sources as part of your BFA match requirement (see 3.3 on Page 13).

If you are unsure about how any of these rules apply to your specific project, be sure to talk to Commerce Capital Programs staff before submitting an application.

** State agencies may not be a significant beneficiary of the resulting facility. This is because they have greater access to state dollars than local jurisdictions and nonprofits.*

Are seconds allowed? Facilities that have previously received a BFA grant are not eligible for additional funding unless:

- the project's scope of work has significantly changed and BFA funds have not yet been drawn down; or
- what is proposed is a different project, or a discrete new phase of the previous project.

Community centers are not eligible for funding. We define community centers as facilities *primarily* used for a diverse range of social activities rather than for artistic or cultural purposes.

In other words, your project is eligible for BFA funding only if arts-related and cultural activities represent the dominant use of the facility (e.g., in terms of square footage, usage patterns, and/or the presence of specialized equipment and facility design features.)

Partnerships will be considered, but one of the parties must be designated as the lead applicant and submit the application on behalf of the partnership.

The applicant must be a 501(c)3 nonprofit organization that is primarily

dedicated to arts-related activities — with one exception. The BFA Advisory Committee will consider applications from nonprofit foundations qualified to raise funds for an otherwise ineligible organization.

For example, the applicant could be a foundation working in partnership with a tribe, or a governmental entity such as a school district or a public development authority.*

All partnerships must provide a copy of an executed joint-operating agreement at the time of application that:

- lasts a minimum of 15 years;
- guarantees a minimum of 50 percent usage by community nonprofit arts organizations;
- establishes which party has authority to set the facility's schedule; and
- contains a contingency plan to address the possibility of dissolution or other change of ownership, with the objective being to protect public funds.

Public-nonprofit partnerships can be valuable in developing and sustaining arts and cultural facilities, particularly in under-represented areas. However,

Four ways to do your homework

1. **Carefully read the program guidelines.** We strongly recommend that you take the applicant readiness self-assessment on pages 16-17.
2. **Attend our workshops.** See back page for information about our grant application workshops.
3. **Contact Commerce Capital Programs staff.** They can give you feedback about your project's potential competitiveness and offer suggestions for developing the best possible application. Email is usually ideal for an initial inquiry; include with your questions a brief (no more than one page) but thorough project summary.
4. **Sign up for our listserv.** You'll get news and advice on applying for all of our competitive grants. Go to: <http://listserv.wa.gov/archives/capital-programs.html>

this grant program’s legislative intent is to fund nonprofit organizations, which do not have the taxing and bonding authority of governmental entities. Therefore, public-nonprofit partnerships will be assessed for whether their project will primarily benefit the community at large rather than the participating public agency’s clients. These partnerships must also demonstrate financial need.

Mixed-use facilities may be considered, but these projects will be funded at 20 percent of the eligible capital cost of the arts-related component only.

1.3 LLCs and nonprofits

The applicant’s facility may be owned by a limited liability corporation (LLC) as long as the nonprofit holds the majority interest through the duration of a tax credit program.

The applicant must be able to demonstrate that it is receiving a significant benefit from the arrangement through a reduction in the capital costs of the facility.

1.4 What’s an ideal project?

Successful projects display:

- a compelling community need for public assistance;
- a cost-effective response to the need or an opportunity that has been identified by the applicant and is supported by relevant stakeholders;
- a clear and feasible plan for completing the proposed facility and maintaining its operation into the foreseeable future; and
- credible evidence that the results will be commensurate to the amount of public funds requested.

1.5 Program history

In 1991 the Corporate Council for the Arts (now called ArtsFund) proposed the creation of Building for the Arts to coordinate the many requests the state Legislature receives for support of arts-related capital projects. BFA has awarded more than \$58 million in projects to nonprofit organizations throughout the state. The tables on page 9 list projects funded in the previous two grant cycles.

Commerce reserves the right to reject applications that are unclear or provide incomplete information.

2011-2013 BFA GRANT DATES	
BFA grant application workshops (east/west)	May 11 and 12, 2010
Applications due (no exceptions)	May 27, 2010 at 5 p.m.
Notification of preliminary review results	June, 2010
BFA Advisory Committee work session	July 20 and 21, 2010
Recommendations forwarded to governor	September 2010 (estimated)
Governor releases proposed capital budget	December 2010 (estimated)
2011-2013 Capital Budget signed into law	May 2011 (estimated)
Capital Programs may begin disbursing funds	September 2011(estimated)
Expiration of funds without legislative action	June 30, 2013

According to the American Institute of Architects, high-performance buildings are cheaper to operate, save water and energy, and improve worker performance.

1.6 High-performance buildings law

The 2005 Washington State Legislature passed a law that may require many of our competitive grant recipients to comply with what have been termed “high-performance” or “green” building standards (RCW 39.35D).

The legislation’s goal is for major capital facilities projects receiving state dollars to be built to the LEED Silver standard where “practicable.” LEED (which stands for Leadership in Energy and Environmental Design) is a certification program run by the U.S. Green Building Council.

These building principles offer the most savings when incorporated early in the design process. That’s why ***we strongly encourage you to talk with your architect as soon as possible.***

The first issue you may wish to explore is whether your project is required to meet the LEED silver standard. The law offers two types of exemptions.

Exemption 1: Facility types

The following types of facilities are exempt:

- Acquisition only, does not include construction or renovation;
- New construction less than 5,000 gross square feet of occupied or conditioned space as defined by the State Energy Code;
- Renovation projects whose costs are less than 50 percent of the facility’s assessed value *and* are less than 5,000 gross square feet of occupied or conditioned space; or

- Facilities such as hospitals; research facilities primarily used for laboratory experimentation, research, or training in research methods; or similar building types.

Exemption 2: “Not practicable”

Renovation projects that involve a new addition to an existing building may not be required for LEED certification. We are not permitted to offer this exemption because of cost or timing-related issues.

Pre-application exemption requests

You don’t need to wait until you turn in a grant application to find out if your project will be exempted. Our website has an exemption request form that you and your architect fill out. We will let you know quickly if your exemption request is approved.

Visit our web page and talk to us

We’ve created a web page devoted to high-performance building standards. There you’ll find all of the needed forms, sources of technical information, and links to grant opportunities that may help you cover extra up-front costs.

Please remember, costs associated with developing a LEED Silver project, such as review by the U.S. Green Building Council, are considered eligible expenses for reimbursement.

5th Avenue Theatre Association	Seattle	\$800,000
Admiral Theatre Foundation	Bremerton	\$140,000
Arts Council of Snohomish County	Everett	\$1,000,000
Artspace Projects, Inc.	Seattle	\$1,000,000
Associated Recreation Council	Seattle	\$475,000
Cornish College of the Arts	Seattle	\$375,000
Federal Way Coalition of the Performing Arts	Federal Way	\$325,000
Friends of Gladish	Pullman	\$30,000
Hands on Children's Museum	Olympia	\$1,000,000
Hedgebrook	Seattle	\$20,000
Historic Seattle Preservation Foundation	Seattle	\$400,000
Imagine Children's Museum	Everett	\$200,000
Kids Discovery Museum	Bainbridge Island	\$250,000
Lummi Nation Service Organization	Bellingham	\$150,000
Maryhill Museum of Art	Goldendale	\$1,500,000
Mount Baker Theatre	Bellingham	\$1,000,000
Seattle Opera	Seattle	\$650,000
Sequim City Band	Sequim	\$150,000
The Vera Project	Seattle	\$70,000
Vashon Allied Arts	Vashon	\$1,115,000
Village Theatre	Issaquah	\$500,000
Village Theatre	Issaquah	\$400,000
Whidbey Island Center for the Arts	Seattle	\$450,000

2009-2011 BIENNIUM APPROPRIATIONS

826 Seattle	Seattle	\$7,500
Bellingham Art & Children's Museum	Bellingham	\$1,000,000
Columbia Theatre for the Performing Arts	Longview	\$750,000
Confluence Gallery	Twisp	\$77,000
Cornish College	Seattle	\$350,000
Duwamish Longhouse	Seattle	\$275,000
Edmonds Center for the Arts	Edmonds	\$1,000,000
Gladish Center	Pullman	\$48,000
Harlequin Productions	Olympia	\$75,000
Hiawatha Artist Lofts	Seattle	\$1,000,000
Historic University Theater	Seattle	\$20,000
Merc Playhouse	Twisp	\$9,500
Northshore Performing Arts Center	Kenmore	\$350,000
Paramount Theatre	Seattle	\$750,000
Pickford Film Center	Bellingham	\$325,000
San Juan Community Theatre	Friday Harbor	\$193,000
Seattle Art Museum	Seattle	\$1,750,000
Stage on the Green	Eastsound	\$70,000
Suquamish Longhouse	Suquamish	\$550,000
Tacoma Musical Playhouse	Tacoma	\$75,000
Town Hall Seattle	Seattle	\$750,000
Village Theatre	Issaquah	\$575,000
Wing Luke Asian Museum	Seattle	\$2,000,000

2007-2009 BIENNIUM APPROPRIATIONS

PART 2: THE REVIEW PROCESS

2.1 LEED exemptions

All applicants are required to enter the LEED certification process or get an exemption. You may do the latter before applying for a BFA grant or as part of your application (see 1.6 on Page 8).

2.2 Application submissions

Applications must be postmarked or received by Thursday, May 27, 2010 at 5 p.m.* We prefer that they be mailed rather than hand delivered. Please use the post office box address listed on the front page of these guidelines.

If hand delivered, your application must arrive at our office by 5 p.m. on the above deadline date (our street address is listed on Page 3).

In the interest of fairness, deadlines will be strictly observed and applications received after the deadline will be returned without review. Note that “postmark” refers to a United States Postal Service (USPS) postmark. Applications sent by facsimile machines (FAX) will not be accepted.

2.3 Preliminary review

After the submittal deadline, staff will review applications for eligibility and completeness. Those that are incomplete or do not meet eligibility standards will not be forwarded to the BFA Advisory Committee for review.

Qualifying applications may also be ranked by staff using the scoring criteria listed on Page 11. Due to the large number of applications we receive, Commerce reserves the right to not forward the least competitive proposals to the committee for review.

2.4 Applicant notification

After the preliminary review, each applicant will receive written notification from Commerce Capital Programs as to whether their project has been forwarded to the BFA Advisory Committee.

Successful applicants will receive details about participation in a work session of the committee. Applicants whose projects are not forwarded will be informed of the reasons in writing, and are encouraged to discuss with our staff how to prepare a more competitive grant for a future funding cycle.

2.5 Advisory committee role

The BFA Advisory Committee helps develop program policy, reviews applications, and recommends projects for funding. The committee consists of volunteers from the public and private sectors with demonstrated expertise in funding, administering, or advocating for arts-related organizations. The director of the Washington State Arts Commission serves on the board as a voting, ex-officio member.

The committee includes grant officers from major foundations. The caliber of your application and presentation could influence your project’s success with funding sources beyond our program.

The scoring criteria used by the BFA committee is summarized on Page 11.

2.6 Appropriations process

The BFA committee will forward its recommendations, in the form of a prioritized list, to the Commerce

The BFA Advisory Committee includes grant officers from major foundations. The caliber of your application and committee presentation could influence your project’s success with funding sources beyond our program.

** In addition to submitting hard-copy materials, we require that you send us a completed application form as an email attachment. This is also due Thursday, May 27 at 5 p.m. For details download the application template, which is posted on our website.*

Applicants that rank highest have usually raised more than 50 percent of their project budget. Those less far along in capital campaigns must show evidence of their ability to promptly raise all needed funds.

director in the summer of 2010. If approved by the director, the list will be included in the agency's 2011-2013 Capital Budget request, which is submitted to the governor's budget office. If approved by the governor, the list will be included in the 2011-2013 Capital Budget request.

The 2011 Legislature will make the final determination as to which projects, if any, will receive BFA grants, and the total amount of funds to be provided for the 2011-2013 Biennium. The governor must sign the capital budget before an appropriation is legally binding (for availability of funds, see 3.4, Page 13).

2.7 Committee testimony

The BFA Advisory Committee is scheduled to convene a work session in Seattle on Tuesday and Wednesday, July 20th and 21st, 2010.

Applicants will be given time to offer testimony about their proposals and answer questions from committee members. You are not required to attend in order to be considered for funding.

The allotted time will range from 10 to 20 minutes, depending on the number of applications forwarded to the committee. **We strongly encourage concise, low-tech presentations with as few presenters, props, and handouts**

BFA SCORING CRITERIA AT A GLANCE

The BFA Advisory Committee's funding recommendations are based upon the numerical rankings summarized below *and* qualitative factors that may include (but are not limited to) geographic distribution of funds, a fair representation among artistic disciplines, and the degree to which applicants have access to other funding sources. See the applicant readiness self-assessment (pages 16-17) for more information on scoring criteria.

POINTS ASSIGNED BY FORMULA — up to 40 points out of a total of 100

PERCENT OF PROJECT FUNDS RAISED – multiply percentage by .25 (up to 25 points)

DESIGN WORK STARTED – if yes, add 5 points

FUNDRAISING FEASIBILITY PLAN? – if yes, add 5 points *

PROJECT FEASIBILITY STUDY? – if yes, add 5 points *

* Commerce Capital Programs reserves the right to not award points for submittals that fail to meet the standards listed in the 2011-2013 BFA Grant Application (which you can download from our website).

POINTS ASSIGNED BY REVIEWERS — up to 60 points out of a total of 100

PROJECT READINESS – up to 15 points

Financial and managerial ability to complete the proposed project by June 30, 2013.

ORGANIZATIONAL CAPACITY – up to 15 points

Financial and managerial ability to successfully run the completed facility.

PROJECT RESULTS – up to 15 points

The degree the project will increase the efficiency and/or quality of services provided.

COMMUNITY NEED – up to 10 points

Evidence of a clear need, and credibility of documentation.

STAKEHOLDER PARTICIPATION – up to 5 points

Evidence of building partnerships with relevant stakeholders.

as possible. You can best respond to any committee concerns about your project by allotting plenty of time for questions. Presenters should have nuts-and-bolts knowledge about the project and the application.

2.8 Apply now or wait?

The biennial nature of our funding cycles can make judgments about when to apply for a BFA grant more complex. Commerce Capital Programs staff can help you think through your options.

The applications that rank highest are usually from organizations that have raised upwards of 50 percent of funds needed to complete their project. This is because BFA funds come from the sale of state bonds, and when a grantee does not spend its award promptly, it ties up the state's bonding capacity.

The BFA Advisory Committee has funded projects that were not as far along in their fundraising if they excelled in other respects (see box on Page 11). However, an applicant that is less far along in its capital campaign needs to show evidence of its ability to promptly raise all needed funds.

Be sure that your project's scope is solidified before you apply. If you are awarded funds, we cannot write a contract that significantly deviates from your application (see 3.1, Page 13).

2.9 Misrepresentation

Any organization that presents false or misleading information in their application will be disqualified. Such statements can color your organization's reputation not only with Commerce but also with members of our committee who are grant officers for some of the state's largest foundations.

2.10 Appeals

The decisions of Commerce Capital Programs are final and cannot be appealed. However, staff would be happy to assist you in strategizing how to develop a more competitive application in the next funding cycle.

Five ways to write an effective application

1. **Follow the directions.** This means answering the question we asked rather than the one you preferred, and not stapling your materials when we ask for paper clips. When in doubt as to what we want, just ask us!
2. **More isn't better.** Please don't include in your application any materials not requested. They will be discarded.
3. **Don't apply if you aren't a good fit.** Please don't submit a grant application that clearly doesn't fit the intent of the program.
4. **Don't apply until you are ready.** As discussed in 2.8 (above), carefully think through your timing. Sometimes it is better to wait until the next round.
5. **Think long-term.** Quite a few of our applicants who did not initially receive funding did so in a subsequent round. They were ultimately successful because they took the time to better understand the nuances of this program.

The scope of your project may not be significantly changed once you submit an application. This is one reason why you may wish to wait until the next grant cycle if your project is in an early stage of development.

PART 3: CONTRACTING SPECIFICS

3.1 Funding restrictions

Funds awarded under this program originate from the sale of state capital bonds, and include no federal funds.

We are mindful of the management pressures faced by nonprofit organizations, and strive to administer funds expediently and with a minimum of red tape. We do so within the policies and procedures established by the Legislature, the state Office of Financial Management, the Treasurer, and the Office of the Attorney General. We must also comply with federal arbitrage regulations.

BFA awards are funded through an appropriation in the capital budget. A grant can only be spent by the designated organization for costs that fit the scope of work listed in the grant application. In other words, the application becomes a controlling document that guides how a grant can be spent.

3.2 Cost reimbursement

Capital budget funds are available on a reimbursement basis only, and cannot be advanced under *any* circumstances. For the purposes of this program, reimbursable costs are those that a contractor has already incurred and paid.

We may reimburse grant recipients for costs incurred and paid prior to the date a contract is executed, and as far back as July 1, 2008. The project start date must be accurately stated in the application in order for us to do so.

3.3 Matching funds

BFA grants may be used to pay up to 20 percent of *eligible* project costs (see 3.13, Page 15); the remainder must

come from *non-state sources*. Non-state matching funds may consist of cash on hand, documented pledge commitments, the value of land acquired specifically for the project, and in-kind contributions when properly documented.

Grantees may also include the proceeds of a letter of credit or other binding loan commitment as part of their non-state matching funds. The value of land used as non-state match must be supported by an appraisal performed by a certified professional appraiser.

3.4 Availability of funds

Funds are usually available in September of the following year, but that can vary depending upon factors such as when the state budget is approved. A contract cannot be written until the grantee has met all funding conditions (see 3.5 below).

Contracts generally take three to four weeks to execute once the grantee provides us with all needed information. Contracts are developed on a first-come, first-served basis.

Due to these uncertainties, grantees are advised to talk with Capital Programs staff before building state funds into their cash-flow projections.

3.5 Contracting conditions

Three requirements must be met before grantees can begin drawing down their grant funds.

■ Grantees must demonstrate in writing the financial capability to complete the project. This generally means that the entire amount of non-state matching funds must be committed to the project.

■ Grantees must provide written

This is a reimbursement-style grant, and you can start drawing down funds only after all other money needed to complete the project has been raised (see 3.5). However, you can receive reimbursement for any eligible costs incurred and paid as far back as July 1, 2008 (see 3.2).

evidence of site control by the application deadline, either through outright ownership of the subject property or an executed long-term lease (at least 15 years).

■ The projects of some grantees may be reviewed by the state Department of Archeology and Historical Preservation (DAHP). This review must be satisfactorily completed before a contract can be developed (see 3.7 below).

3.6 Documenting expenses

We reimburse contractors only after receiving copies of the original billing documents (invoices) and copies of cancelled checks or electronic funds transfer, as applicable. In all cases, costs must be documented and auditable.

3.7 Archeological review

Some projects may need to be reviewed for archeological and cultural resources. This is required of projects not undergoing a Section 106 review under the National Historic Preservation Act if the project:

- disturbs ground, and/or
- involves structures more than 50 years old.

Projects that fit these criteria and are recommended for funding by the BFA Advisory Committee will be given further information about the review process.

3.8 Prevailing-wage law

As a result of a recent court ruling, construction projects that receive any of our grants are required to pay state prevailing wages as of the date the capital budget becomes effective. Construction labor includes landscaping.

The Department of Labor and Industries is the state agency that implements prevailing wage law. For more information, contact Industrial Statistician David Soma at 360-902-5330 or somd235@LNI.wa.gov

3.9 Reappropriations

Some grant recipients may not be able to expend all of their funds by the end of the 2011-2013 Biennium (June 30, 2013). Any unexpended funds will lapse unless reappropriated. Although not legally obligated to do so, the Legislature generally reappropriates unspent funds for long-term capital projects, such as those funded through BFA, but only once.

3.10 Rescinding funds

We reserve the right to rescind that group's authorization and reallocate the funds to the next organization on the BFA award list. If this occurs, the organization may reapply for funding in future grant cycles.

Prevailing wages are now required on all construction projects funded by this grant program as of the date the Capital budget is in effect (see 3.8).

BFA grants are charged an administrative fee

Commerce Capital Programs is authorized to retain up to 3 percent from each award to cover all administration costs (this is our sole source of funding; we receive no state General Fund dollars). For the 2009-2011 Biennium we retained 2.5 percent from competitive grants such as those offered by BFA. As you build your project budget, keep in mind that the net grant amount will be slightly less than the legislative appropriation.

When completing your application, remember that your state match is calculated from total eligible costs, which may differ from your total project costs.

3.11 Change of ownership

Most of the capital projects constructed with state funds require that the facility or project be held by the contractor for a period of time appropriate to the amount of the state grant (a minimum of 15 years), and that the facility or project be used for the same purpose expressed in the enabling legislation or contract.

3.12 Eligible costs

Capital budget funds may generally be used to pay for the following construction-related expenses incurred as far back as July 1, 2008:

- design, architectural, and engineering work;
- building permits/fees;
- archeological/historical review;
- construction labor and materials;
- demolition/site preparation;
- capitalized equipment;
- information technology infrastructure (cables and wiring);
- construction management (*from external sources only*)*;
- initial furnishings**;
- landscaping, and
- real property when purchased specifically for the project, and associated costs.***

3.13 Ineligible costs

All of our grants are intended to fund bricks and mortar. This is why the following costs are not eligible for reimbursement and *cannot be used to match state funds*:

- internal administrative activities;
- project management (from any sources);
- fundraising activities;
- feasibility studies;
- computers or office equipment;
- rolling stock (such as vehicles);
- lease payments for rental of equipment or facilities;
- mortgages or property leases (including long-term); and
- the moving of equipment, furniture, etc., between facilities.

3.14 Loan paydowns

BFA grants *cannot* be used to retire existing debt except when it is directly related to a project being considered for funding in the current grant funding cycle. In other words, a construction or bridge loan is an eligible expense only if it was incurred after July 1, 2008 as part of your project.

* **Construction management and observation** is on-site management and/or supervision of the work site and workers thereon. This is an eligible project cost. Construction management does not include work performed by off-site consultants or consultant organizations, grant writers, project managers, or employees of the grantee, unless the employee is hired solely and specifically to perform on-site construction management as defined above.

** **Furnishings and equipment** are considered eligible project costs as long as the average useful life of the item purchased is 13 years or more.

*** **Costs directly associated with property acquisition** include appraisal fees, title opinions, surveying fees, real estate fees, title transfer taxes, easements of record, and legal expenses. However, BFA grants cannot reimburse a grantee the market-rate value of an existing reduced-cost lease.

PART 4: BFA GRANT APPLICANT READINESS SELF-ASSESSMENT

Step 1 will help you assess whether your project is eligible for a grant during the current funding cycle. Step 2 is a self-diagnosis exercise. It **cannot** predict how we will rank your project, because that depends on currently unknown variables such as the number and quality of other applications that will be submitted. In addition to the scoring criteria listed in Step 2, the BFA Advisory Committee may also consider qualitative factors (see box on Page 11). However, by carefully studying this readiness self-assessment, you can better anticipate the questions that will be asked by our reviewers.

Step 1: Are you eligible for a BFA grant?

- | | |
|---|---|
| <p>1.1 Is your project operated through a nonprofit organization with current 501(c)3 Internal Revenue Service registration?
Yes ___ Advance ruling ___ No ___</p> <p>1.2 Is your organization also registered in the state of Washington as a nonprofit corporation?
Yes ___ No ___</p> <p>1.3 Does your organization have a legally constituted board of directors?
Yes ___ No ___</p> <p>1.4 Do you have control of the facility through either:
A. ownership of the site? Yes ___ No ___
B. a long-term lease? (15 years minimum) Yes ___ No ___
(You must say "yes" to one of the above options as of the date you submit the application.)</p> <p>1.5 Has your organization either:
A. secured all funding needed to complete the project, or Yes ___ No ___
B. made substantial progress in an active capital fundraising campaign dedicated to the project? Yes ___ No ___
(You must say "yes" to one of the above options as of the date of the application submission.)</p> <p>1.6 Will the facility have significant public access?
Yes ___ No ___</p> <p>1.7 Is your project an arts-related facility such as a performing arts center, an art museum, or a cultural facil-</p> | <p>ity (e.g., a Native American longhouse)?
Yes ___ No ___</p> <p>1.8 Does your project include major new construction or renovation? Minor work such as general repairs or ADA upgrades are not eligible for funding. (see 1.1 on Page 5)
Yes ___ No ___</p> <p>1.9 Will you enter the LEED certification process with the goal of meeting the silver standard?
Yes ___ No ___
If you answered "no," have you received an exemption from Commerce Capital Programs?
Yes ___ No ___
(You must enter LEED or have an exemption to be eligible for a BFA grant. You may apply for an exemption with your grant application or prior to its submittal. (see 1.6 on Page 8))</p> <p>2.0 If your project includes any new construction or renovation, will you pay state prevailing wages for all labor costs as of the date the Capital budget becomes effective? (see 3.8 on Page 14)
Yes ___ No ___</p> <p>2.1 Is your project a community center? This type of facility is not eligible for BFA funding. (see 1.2 on Page 6)
Yes ___ No ___</p> <p>2.2 Is your project an acquisition of bare land that does <i>not</i> include construction of a facility? This kind of project is ineligible for BFA funding. (see 1.1 on Page 5)
Yes ___ No ___</p> |
|---|---|

To be eligible for funding, you must have answered "yes" to questions 1.1 through 2.0 and "no" to questions 2.1 and 2.2. Each question represents an eligibility standard that must be met at the time your application is submitted.

Step 2: How competitive is your grant proposal?

The following questions are drawn from the selection criteria used by BFA reviewers to rank eligible applications (see box on Page 11). Applicants can earn up to 100 points.

2.1 POINTS ASSIGNED BY FORMULA (up to 40 points out of a total of 100)	POINTS
a. Percent of project funds raised – multiply it by .25 (up to 25 points)	_____
b. Design work started – if yes, 5 points	_____
c. <i>Fundraising</i> feasibility plan appropriate to the project completed – if yes, 5 points	_____
d. <i>Project</i> feasibility study appropriate to the project completed – if yes, 5 points	_____
2.2 REVIEW PANEL SCORING CRITERIA (up to 60 out of a total of 100 points)	
a. PROJECT READINESS – <i>Ability to complete the proposed project promptly (up to 15 points).</i> Will your project have a reasonable chance of completion by the biennium's end (June 30, 2013)? How realistic is the fundraising timeline? Is the project free of public debates that could delay it?	_____
b. ORGANIZATIONAL CAPACITY – <i>Ability to effectively run the completed facility (up to 15 points).</i> How strong is your organization's financial and service-delivery track record? What is the average annual attendance at your events? How realistic is your assessment of the financial and managerial challenges of running the completed facility? Have you done an operations (business) plan? If project is a partnership, how stable is it? How transparent is the financial relationship?	_____
c. PROJECT RESULTS – <i>Degree project will increase efficiency/quality of activities (up to 15 points).</i> How significantly will the facility increase the efficiency and/or quality of services provided, measured in terms of outputs (quantities such as attendance) or outcomes (qualities such as the difference the facility will make in the lives of its patrons)? If a mixed-use project, to what degree is it focused on eligible arts-related activities?	_____
d. COMMUNITY NEED – <i>Evidence of a clear and compelling community need (up to 10 points).</i> How significant is the need? How well documented is your needs assessment? How much emphasis does the project place upon serving ethnic groups, senior citizens, persons with disabilities, and disadvantaged or at-risk youth? Is there a big enough market to support the facility?	_____
e. STAKEHOLDER PARTICIPATION – <i>Partnerships with relevant stakeholders (up to 5 points).</i> What is the applicant's demonstrated commitment to building partnerships with other stakeholders relevant to the targeted need (e.g., as expressed by the diversity of the applicant's board of directors)?	_____
	TOTAL POINTS

What's a competitive score? *No one can predict that before applications are turned in, but this scoring sheet can help you diagnose the strengths and weaknesses of your project. Once you've read through the guidelines and completed this self-assessment, we would encourage you to talk with Capital Programs staff.*

- **Get your questions answered**
- **Learn from other applicants**
- **Meet Commerce Capital Programs staff**

AT BUILDING FOR THE ARTS GRANT WORKSHOPS

Join us for a grant application workshop. These free workshops — offered in both Eastern and Western Washington — will consist of a brief presentation about Building for the Arts (BFA), followed by a step-by-step review of the application process, and a question-and-answer period. Because of changes in BFA rules and procedures, we would strongly encourage even seasoned grant writers to attend.

Eastern Washington Workshop (Spokane)

Wednesday, May 11, 2010
9-12p.m.
Spokane Community College
N. 1810 Greene Street
Building 6, Room 126
Spokane, WA
509-533-7000 or 1-800-248-5644

*Contact Capital Programs staff for parking pass

For directions & parking information:

<http://www.scc.spokane.edu/maps/campus.htm>

Western Washington Workshop (Seattle)

Thursday, May 12, 2010
11-1:00 p.m.
Seattle Center
305 Harrison Street
Center House Room H
Seattle, WA
206-684-7200

For directions & parking information:

<http://www.seattlecenter.com/Information/map.asp>

Commerce Capital Programs

Mailing address: P.O. Box 42525, Olympia, WA 98504-2525

Main phone: 360-725-3075

Email: capprograms@commerce.wa.gov

Web: www.commerce.wa.gov/CapitalPrograms

Listserv: <http://listserv.wa.gov/archives/capital-programs.html>